

**CITY OF LANSING
JOINT POLICE & FIRE RETIREMENT SYSTEM
and
EMPLOYEES' RETIREMENT SYSTEM
MEETING MINUTES**

Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

February 18, 2014
Tuesday, 9:15 a.m.

The meeting was called to order at 9:28 a.m.

A quorum of the Employees Retirement Board was present.

Trustees present: (Police & Fire), Benson, Hecksel, Kraus, Wood – 4.

(ERS), Dedic, Kraus, Munroe, McCaffery, D. Parker, M. Parker, Taylor –7.

Others present: Angela Bennett, Karen Williams, Finance Department; Ken Lane, Clark Hill Law Office (representing the City Attorney's Office); Greg Stump, Boomershine Consulting Group.; Andrew Gillentine, George Tarlas, Asset Consulting Group.

Mr. Greg Stump reviewed the revised 2012 actuarial valuation report, that included changing the valuation date to December 31, 2012, the accounting information and GASB schedules were updated.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to accept the 2012 actuarial valuation report for the Employees Retirement System.

Adopted by the following vote: 7 – 0.

Mr. Stump discussed the preparation for the 2013 valuation. Mr. Stump provided a recommendation to amend the investment return assumption to 7.5%. The assumption changes would increase the City's contribution. Mr. Stump discussed a reset the asset smoothing of the investment return. Mr. Stump reviewed his recommendation for the Retirement Boards to adopt a funding policy.

Trustee Hecksel expressed concern that the reset of the asset smoothing would increase the risk to the employer contribution amount.

Ms. Bennett also expressed concern regarding the volatility of the contribution amount with the reset of asset smoothing. The asset smoothing reset would only help in the first year.

Mr. Stump discussed upcoming GASB changes, 67 and 68, and he reviewed the funding policy and the return assumption. Mr. Stump reviewed the funding levels outlook. Mr. Stump recommended completing the funding policy by the end of the year

George Tarlas reviewed the cash flow withdrawal requests for the Police and Fire Retirement System Board and the Employees Retirement System Board.

It was moved by Trustee Kraus and supported by Trustee Mark Parker to redeem \$1.8 million from the Northern Trust portfolio, 4 million from the T. Rowe Price portfolio, and \$50,000 from Northern Trust securities lending for the quarterly cash flow withdrawal.

Adopted by the following vote: 7 - 0

Mr. Andrew Gillentine, of Asset Consulting Group reviewed the Quarterly Performance reports for the 4th quarter of 2013. Mr. Gillentine also discussed the year-end financial performance of the Employees' Retirement System and the Police and Fire Retirement System. Mr. Andrew Gillentine reviewed the market environment and discussed the equity, fixed income and real estate investments within the financial portfolio.

There were no public comments.

The Meeting adjourned at 11:15 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Scott Dedic, Chairperson
Employees' Retirement System

Brad St. Aubin, Chairperson
Police and Fire Retirement System